

METROPOLITAN DEVELOPMENT COMMITTEE

DATE: August 24, 2006

CALLED TO ORDER: 5:33 p.m.

ADJOURNED: 7:05 p.m.

ATTENDANCE

Attending Members

Dane Mahern, Chairman
Rozelle Boyd
Ron Gibson
Scott Keller
Becky Langsford
Angela Mansfield
Jackie Nytes
Mike Speedy

Absent Members

Marilyn Pfisterer

AGENDA

Presentation on the Fort Harrison Reuse Authority Project – Barbara Lawrence,
Executive Director of the Bond Bank

BUDGET HEARING

Division of Community Economic Development
Division of Compliance
Division of Neighborhood Services

METROPOLITAN DEVELOPMENT COMMITTEE

The Metropolitan Development Committee of the City-County Council met on Thursday, August 24, 2006. Chair Dane Mahern called the meeting to order at 5:33 p.m. with the following members present: Rozelle Boyd, Ron Gibson, Scott Keller, Becky Langsford, Angela Mansfield, Jackie Nytes, and Mike Speedy. Absent was Marilyn Pfisterer.

Presentation on the Fort Harrison Reuse Authority (FHRA) Project – Barbara Lawrence, Executive Director of the Bond Bank

Ms. Lawrence and Ehren Bingaman, Executive Director, FHRA, presented the committee with information on the FHRA and Post Exchange (PX)/Commissary Project (Exhibit A, on file in the Council office). Highlights of the presentation are:

- The FHRA was established in 1996 after the Fort Harrison Army Base closed.
- FHRA is a legislative body that works on activities that promote economic development.
- The PX and Commissary is the only full-service exchange and commissary in the state and provides service to many active and retired military personnel living in the community.
- The FHRA is taking on the construction of a new commissary on 59th Street. In exchange for the new structure, the army will grant title to the 13 acres where the old commissary and PX exists. In addition, the army has forgiven the remaining debt of \$3 million that FHRA still owes the army.
- The total cost of the project is \$14.2 million. Some of the state's government officials helped secure a \$2 million federal appropriation towards the construction of this project.
- The project's transaction is being completed with a pledge of Tax Increment Financing (TIF) revenues. All the property is in a TIF district, and the revenues in this district are estimated at \$3.6 million annually.
- The bond bank will be putting a moral obligation of the city of Indianapolis on this transaction. Moral Obligation is when the bond bank will come before the City-County Council to seek an appropriation to replenish the debt service reserve.

Councillor Gibson asked who appoints members to the FHRA. Mr. Bingaman said the Mayor of Lawrence, Mayor of Indianapolis, the City-County Council, the City of Lawrence Council, and the Marion County Commissioners appoint members. Councillor

Gibson asked if analysis has been done to ensure the demand is there. Mr. Bingaman replied in the affirmative and said the initial thought was to close the existing PX and commissary, but there was strong objection by the community. Councillor Gibson asked how many times the city's moral obligation is invoked. Ms. Lawrence said it has not been invoked in the past 25 years.

Councillor Speedy asked how many times the bond bank has put a moral obligation on the city. Ms. Lawrence said moral obligations are on a substantial amount of their transactions, yet not on every transaction. Councillor Speedy asked if the proceeds of the bond are going toward infrastructure. Mr. Bingaman said the proceeds of the bond will pay for the physical construction of the facility.

Councillor Nytes asked if FHRA used TIF proceeds for any other investments. Mr. Bingaman replied in the affirmative and said TIF bonds were issued in 2000 in the amount of \$2.5 million. He said the bonds were used in the expansion of 56th Street.

Bart Brown, Council's Chief Financial Officer, asked why the City of Lawrence is not putting more of an obligation on these bonds. Ms. Lawrence said, in terms of financing, the City of Lawrence did not have the same mechanism as the bond bank. Mr. Brown asked what taxing district would be used if the moral obligation had to be invoked. Ms. Lawrence said they would hold an interest in the TIF revenues that come into that district.

Division of Community Economic Development

Margaret Banning, Administrator of Community Economic Development, presented the division's 2007 budget. Highlights of the presentation are as follows:

- There is a shift in funds from tearing houses down to rehabilitating them and getting them into the hands of developers.
- The Housing Authority has a project agreement with the division to redevelop the former Georgetown Apartments.
- The bond bank identified and secured funding to address the maintenance needs at the canal. The canal will also be more accessible by adding elevators and restrooms.
- The Community Development Block Grant (CDBG) is said to be in good shape for the city and county; however, the division is anticipating a \$600,000 reduction in the budget.
- Eighty four percent (84%) of the division is funded through grants, six percent (6%) from fees, and ten percent (10%) is funded through local tax dollars.

- Changes in the budget are related to the division's efforts to keep some of their funds from going out to non profits and community building efforts. Some changes are shifting personnel costs to fees (where appropriate), reducing contracts, and shifting program costs.
- Increase in Salaries & Fringes was due to moving one contract position to a salaried position. The overall budget increase is \$114,330, due to the guideline revenue expenses.

Councillor Nytes asked if the city is now able to get properties directly into the hands of community groups. Ms. Banning said the city will be getting properties faster; however, they have a list of not-for-profit organizations that they can transfer property to directly. Councillor Nytes asked if the bond bank is doing property management projects. Ms. Banning said because the canal is a capital investment and within the consolidated TIF area, it is within the bond bank's charge.

Councillor Speedy asked the percentage increase in group insurance. Jeff Seidenstein, Budget Manager, Office of Finance and Management, said the budget was based upon an 8.1% increase in health insurance. Councillor Speedy asked for clarification on the increase in title research. Ms. Banning said the increase in title research is due to the work that goes into getting a good title and processing the work through the Treasurer's Office.

Councillor Gibson asked if more investment in the community can be done. Ms. Banning said the division is setting aside \$50,000 to address youth violence next year. She said their biggest challenge is that CDBG only allows for a small percentage to go towards services in the community.

Division of Compliance

Rick Powers, Administrator of the Division of Compliance, read verbatim the division's 2007 budget (Exhibit B, attached).

Councillor Mansfield asked if the division is increasing their penalties towards those who do not attain the proper permits. Mr. Powers replied in the affirmative and said this is one reason for the fee increases. He also stated that part of the problem was that the division did not have the building inspection staff.

Councillor Boyd asked if the division has an electronic connection to the Mayor's Action Center (MAC). Mr. Power replied in the affirmative and said they have a new system that electronically assigns cases to an inspector in the area.

Councillor Keller asked if the division is benefiting from a bond issue that is replacing vehicles. Mr. Seidenstein said because the division has a good funding source from their fees, they are not included in the finance packet (bond issue).

Chair Mahern asked what the perspective is in regards to the changes made within the division. Mr. Power said they have not received a lot of complaints within regard to the increase in fees; however, the businesses do enjoy the improved services the division now provides.

Division of Neighborhood Services

Kevin Sifferlen, Administrator of the Division of Neighborhood Services, presented the division's 2007 budget. Highlights of the presentation include:

- The division has made several changes to provide efficient and effective services.
- Mayor's Liaisons contribute to the city's revised weed and clean program and the weekly neighborhood blitzes.
- In the neighborhood blitzes, the Mayor's Liaisons help patch potholes, clean alleys and streets, cut weeds on properties, etc.
- The top three service calls the MAC receives are related to: animal, trash, and abandoned vehicles.
- The increase in the budget is in part to the increase in salary for a part-time and full-time position and consulting for the current MAC system. The total increase in the division's budget is \$122,799.

Councillor Mansfield asked if there is a possibility the MAC can be available on weekends to assist in animal services. Mr. Sifferlen said the MAC has voicemail that will direct people to dispatch at animal control during the weekends.

Councillor Speedy asked how much the MAC system contributes to the increase in the consulting budget. Mr. Sifferlen said this was something that was cut out of the budget last year, and they have added it back into the budget in case it is needed. Councillor Speedy asked what new furniture and equipment is being purchased. Mr. Sifferlen said computers are being updated due to the Microsoft Migration requirements.

Councillor Nytes asked if the division is responsible for the neighborhood association directory. Mr. Sifferlen said that is handled in the Division of Planning. Councillor Nytes asked how often the directory is updated. Mr. Sifferlen said the directory comes out twice a year and is also available on-line.

Councillor Mahern asked if the MAC has experience an increase in calls. Mr. Sifferlen said they are remaining steady with calls received; however, calls regarding weeds have increased.

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CONCLUSION

With no further business pending, and upon motion duly made, the Metropolitan Development Committee of the City-County Council was adjourned at 7:05 p.m.

Respectfully submitted,

Dane Mahern, Chair
Metropolitan Development Committee

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